

Draft Civil Service Commission Rules: Deferred Retirement Option Plan

Rev A (February 6, 2004)

Added text is double underlined. Deleted text is ~~struck through~~

1 2-17 Retirement

2 2-17.1 Cooperation with Board

3 The state personnel director shall cooperate with the state employees' retirement board in
4 maintaining a comprehensive retirement system for classified employees.

5 2-17.2 Return to Work from Retirement

6 Regardless of any other provision of these rules, a state classified employee retired or retiring
7 under any state of Michigan retirement system who applies for and obtains employment in a
8 classified position is considered, in all respects, as a new employee, subject to the following
9 conditions:

10 (a) **Exception, reinstatement.** A retired employee may be reinstated, but cannot receive any
11 other employment benefits based upon previous classified service.

12 (b) **Exception, disability retirement.** A classified employee who retires under a duty or
13 nonduty disability provision of any state of Michigan retirement system and returns directly
14 to a classified position after the disability ends is considered a continuing employee, but
15 cannot receive state service credit for any purpose for the period of the disability retirement.

16 (c) **Exception, deferred retirement.** A classified employee who has taken a deferred
17 retirement and is reinstated or rehired before receiving a retirement benefit payment must
18 requalify to receive prior service credit for longevity and annual leave.

19 (d) **Exception, deferred retirement option plan for state police command officers.** A state
20 police command officer participating in the deferred retirement option plan authorized in
21 Public Act No. XXX of 2004 continues as an active employee as provided in Rule 5-17.
22

5-13 Retirement

A classified employee is eligible for retirement benefits as provided by law.

5-17 Deferred Retirement Option Plan for State Police Command Officers

5-17.1 General

A state police command officer electing to participate in the deferred retirement option plan authorized in Public Act No. XXX of 2004 may continue as an active classified employee while participating in the deferred retirement option plan. Until the participating employee terminates participation in the deferred retirement option plan and retires, the participating employee remains subject to (1) all civil service rules and regulations, as modified in this rule, and (2) all policies, procedures, and work rules of the department of state police applicable to other active state police command officers.

5-17.3 Special Provisions

Notwithstanding any other civil service rule or regulation, the following special provisions apply to all state police command officers participating in the deferred retirement option plan:

(a) Sick leave.

(1) Sick leave balance. As of the effective date of participation in the deferred retirement option plan, a participating employee is paid 50 percent of the employee's unused sick leave. Payment is made as provided in subsection (f). Up to 240 hours of the participating employee's unused and unpaid sick leave is retained for use while continuing on active duty. Any unused and unpaid sick leave exceeding 240 hours is lost.

(2) No further sick leave earned. As of the effective date of participation in the deferred retirement option plan, a participating employee does not accrue any further sick leave. A participating employee is not paid for any unused sick leave remaining at retirement.

(b) Annual leave.

(1) Annual leave balance. As of the effective date of participation in the deferred retirement option plan, a participating employee is paid for all accrued annual leave, up to 240 hours. Payment is made as provided in subsection (f). Any balance of unused and unpaid annual leave exceeding 240 hours is retained for use while continuing on active duty.

(2) Further annual leave earned. As of the effective date of participation in the deferred retirement option plan, a participating employee is credited with 7.7 hours of annual leave for each 80 hours of paid service in a biweekly pay period. If a participating employee is paid for less than 80 hours in a biweekly pay period, the participant is credited with a prorated amount of annual leave for that pay period. A participating employee may accumulate up to 200 hours of annual leave, including any hours carried over. At retirement, a participating employee will be paid for up to 76 hours of unused annual leave.

(c) Longevity pay. A participating employee is not eligible for, and cannot receive, any longevity pay under rule 5-8 [Longevity Payment].

(d) Compensatory time.

(1) Compensatory time balance. As of the effective date of participation in the deferred retirement option plan, a participating employee is paid for all accrued compensatory time. Payment is made as provided in subsection (f).

(2) Further compensatory time earned. As of the effective date of participation in the deferred retirement option plan, a participating employee otherwise eligible for compensatory time and the employee's supervisor may agree to allow the employee to accrue up to 48 hours of compensatory time. A participating employee is paid for up to 48 hours of unused compensatory time at retirement.

(e) Group insurance plan premiums. A participating employee shall pay group insurance plan premiums equal to the amount the employee would have paid if the employee had retired on the day before becoming a participant in the deferred retirement plan option.

(f) Payments. Payments due to a participating employee for accrued sick leave, annual leave, and compensatory time may be paid, at the sole discretion of the appointing authority, either (1) in a lump sum or (2) at the rate of 17 percent of the outstanding balance per year. Any lump sum payment is due in the first full pay period beginning after the employee becomes a participant in the deferred retirement option plan. If paid at the rate of 17 percent per year, any balance remaining when the employee retires is paid in a lump sum.

(g) Effective date of participation. An employee, for purposes of this rule, becomes a participant in the deferred retirement option plan on the day after the employee becomes eligible to receive contributions to the employee's deferred retirement option plan account under section 24a of Public Act XXX of 2004.

(h) Severability. If the United States internal revenue service gives notice that any portion of this rule would cause the deferred retirement option plan to be disqualified for tax purposes under the internal revenue code, 26 USC §1, et seq, then that portion of the rule may be severed and does not apply.
